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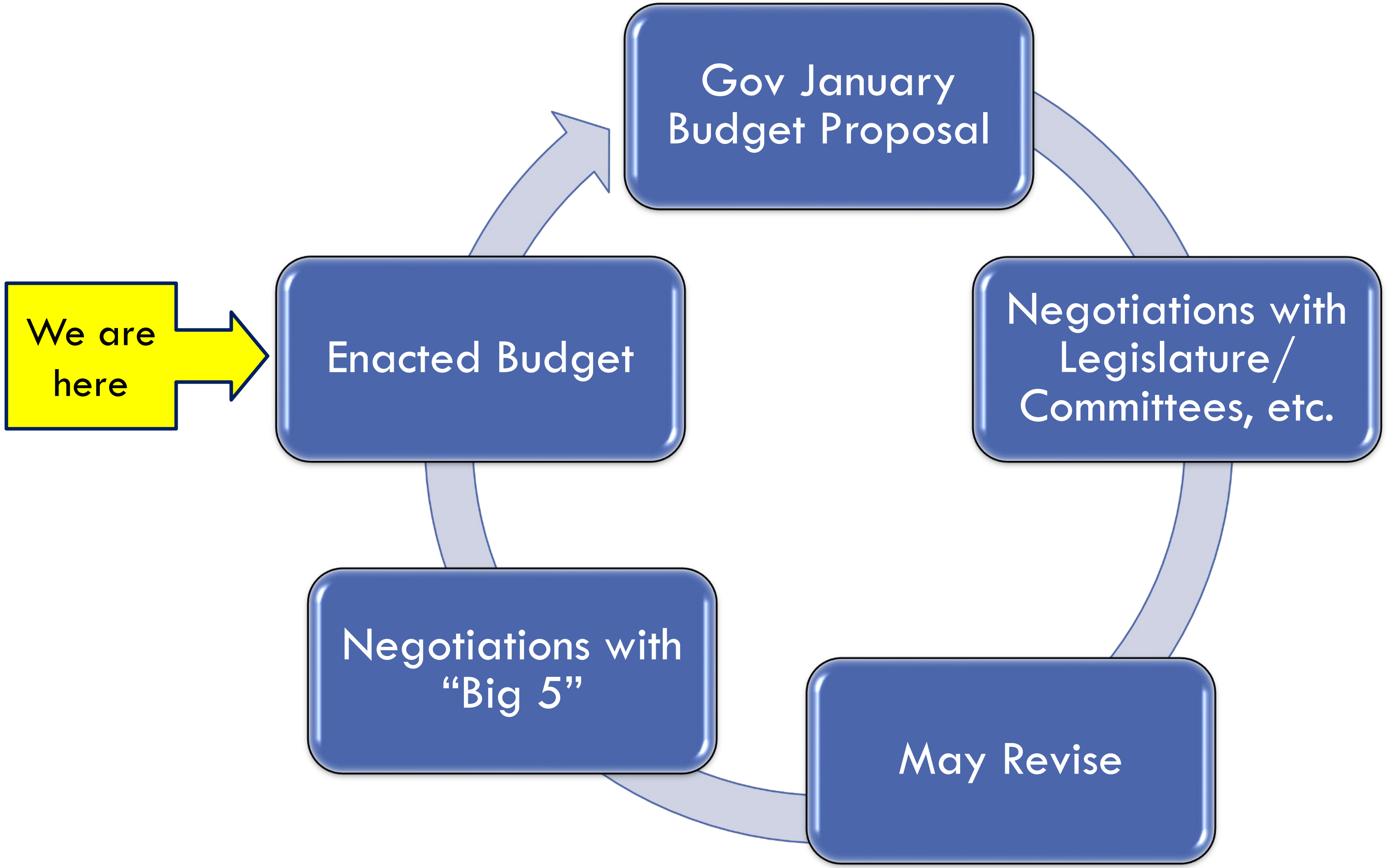
2025-26 GUSD BUDGET

Tuesday, June 17, 2025

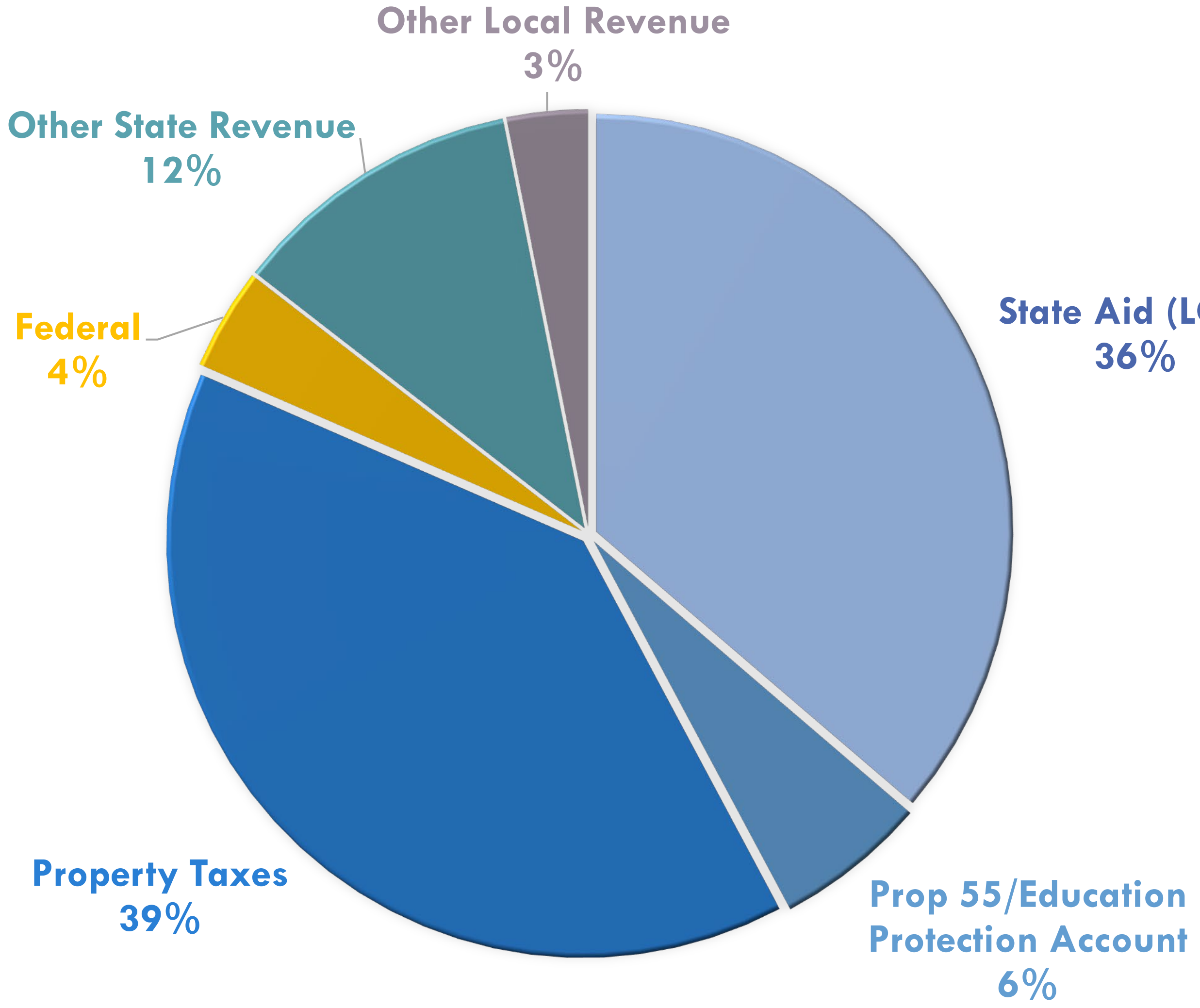
TOPICS

- Overview of Key Revenue & Expenditure Assumptions
  - No changes from the Public Hearing Budget (presented on May 29, 2025)
- Required Disclosures:
  - LCFF Budget Overview for Parents (BOP)
  - Statement of Reasons for Excess Reserves
- Next Steps

STATE BUDGET DEVELOPMENT PROCESS

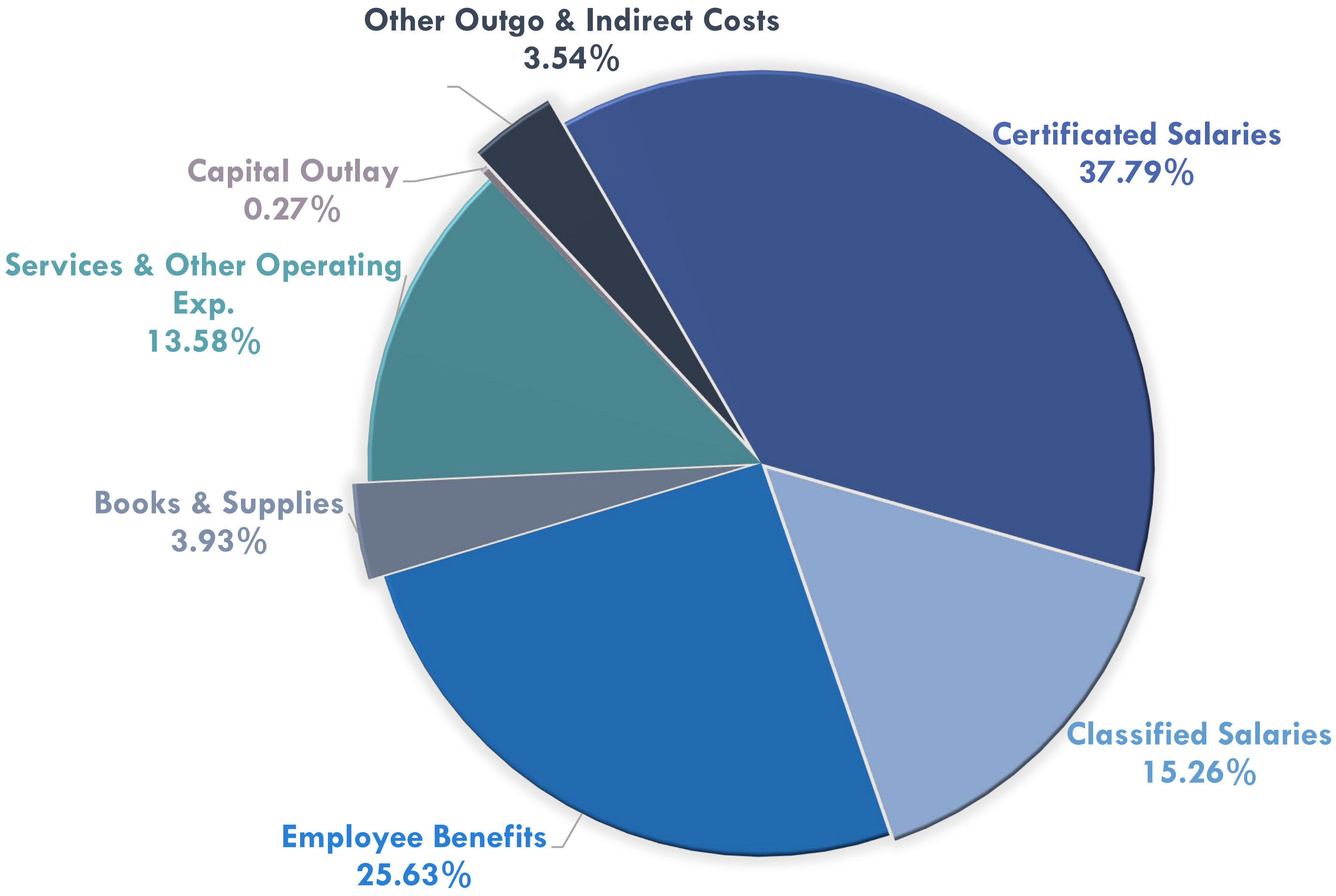


GUSD 2025-26 TOTAL GENERAL FUND REVENUES



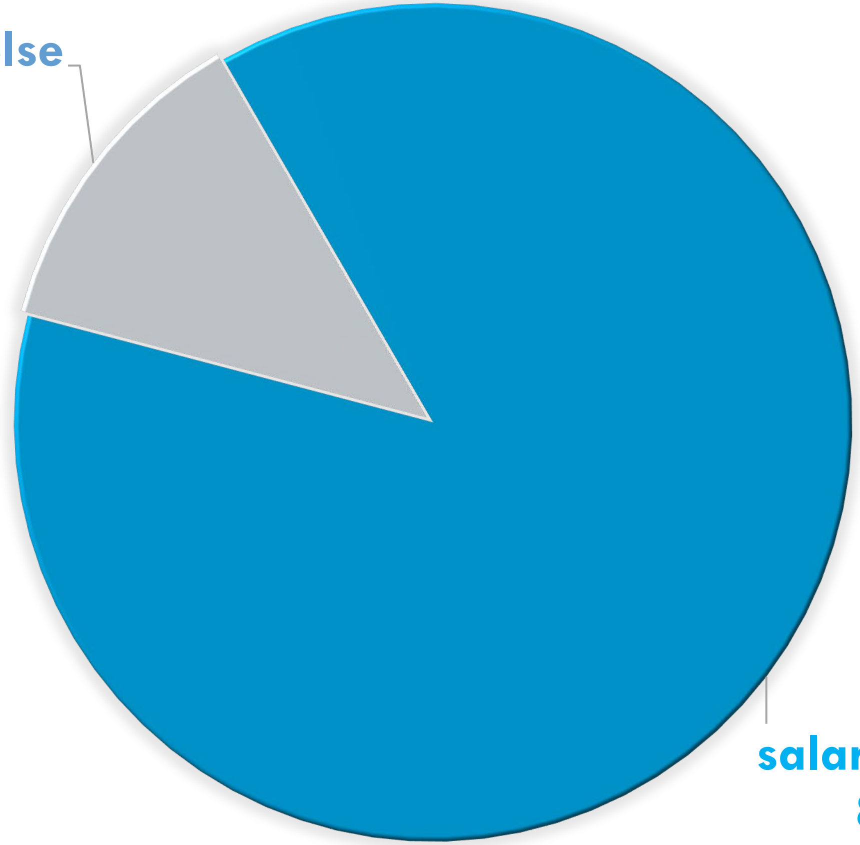
$169,529,496

GUSD 2025-26 TOTAL GENERAL FUND EXPENDITURES



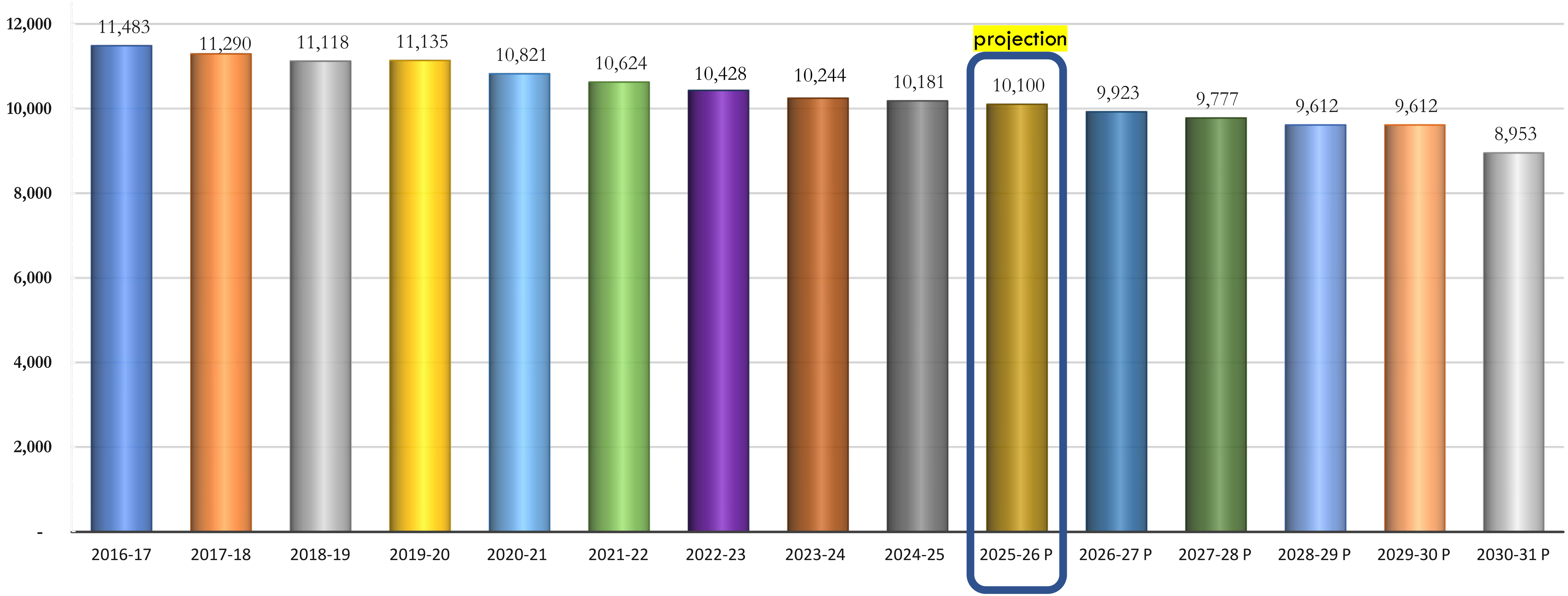
$182,261,847

GUSD 2025-26 UNRESTRICTED GENERAL FUND EXPENDITURES



$103,234,677

GUSD ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2025-26



MULTI-YEAR PROJECTION (MYP)

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REVENUE ASSUMPTIONS

	2024-25	2025-26	2026-27	2027-28
Enrollment	10,181	10,100	9,923	9,777
Annual Decline	-63	**-81**	**-177**	**-146**
3 YR Avg. Funded ADA	9706	9474	9460	9382
Statutory COLA (May Revise)	**1.07%**	2.3%	3.02%	3.42%
COLA in our MYP	**1.07%**	**2.3%**	**3.02%**	**3.42%**
Supplemental & Concentration Funds	$17.7 M	$17.7 M	$18 M	$17.7 M
Unduplicated Pupil Percentage (UPP)	62%	60%	60%	60%

All COLAs at 100%

EXPENDITURE ASSUMPTIONS

	2024-25	2025-26	2026-27	2027-28
Cert. & Classified Step & Column Adjustments	1.5%	1.5%	1.5%	1.5%
Health & Welfare	Based on negotiated caps			
General Fund Contributions	-$26.8 M	-$28.3 M	-$28.7 M	-$29.1 M
Deferred Maint. General Fund share	$712K (annually, on-going)			
CalSTRS Employer Contribution	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Contribution	27.05%	**26.81%**	26.90%	27.8%
Routine Restricted Maintenance (RRM)	3% of total expenditures			

MULTI-YEAR PROJECTION (MYP)

2025-26 Budget for Adoption

GUSD

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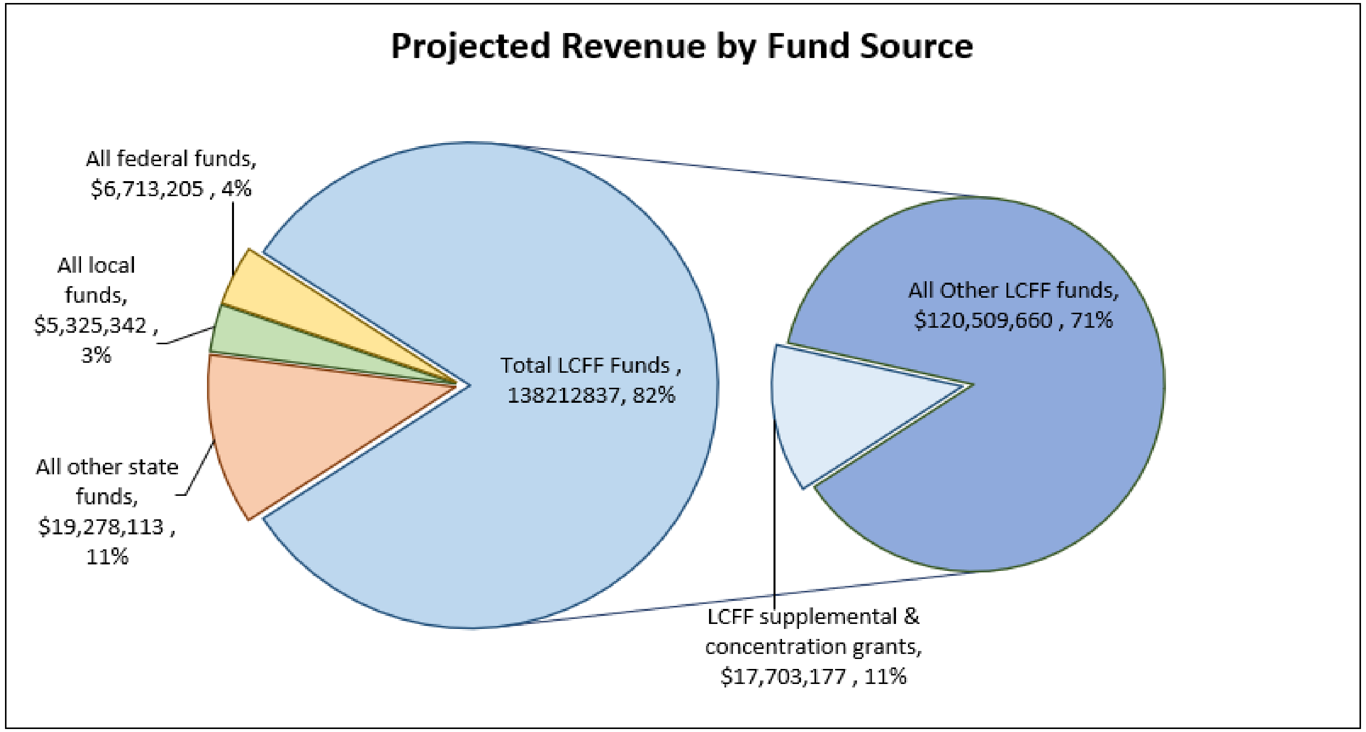
	2024-25 Estimated Actuals			2025-26 Budget			2026-27 PROJECTION			2027-28 PROJECTION		
	ADA on 3PY average, UPP AT 62.5%. COLA=1.07%, CBEDS 10,181 (-61 from PY)			At 2.3% COLA, 93.5% ADA, proj. decline -81, UPP at 60% (included 100% of proj. COLA)			3.02% COLA, 93.5% ADA, proj. decline -177, UPP at 60%, 3PY average (100% of COLA)			3.42% COLA, 93.5% ADA, decline -146, UPP at 60%. (Includes 100% of proj. COLA)		
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF	**$130,664,080**	$ 7,091,200	$ 137,755,280	**$130,734,758**	$ 7,478,079	$ 138,212,837	**$134,287,568**	$ 7,710,647	$ 141,998,215	**$136,889,774**	$ 7,950,448	$ 144,840,222
Federal Revenues	-	10,131,701	10,131,701	-	6,713,205	6,713,205	-	6,713,205	6,713,205	-	6,713,205	6,713,205
Other State Revenues	3,084,990	17,634,156	20,719,145	3,065,678	16,212,435	19,278,113	3,065,678	16,212,435	19,278,113	3,065,678	16,212,435	19,278,113
Other Local Revenues	3,915,916	7,511,218	11,427,134	2,551,320	2,774,022	5,325,342	2,676,320	2,774,022	5,450,342	2,721,451	2,774,022	5,495,473
TOTAL, REVENUES	**137,664,986**	**42,368,275**	**180,033,260**	**136,351,756**	**33,177,741**	**169,529,496**	**140,029,566**	**33,410,309**	**173,439,875**	**142,676,903**	**33,650,110**	**176,327,013**
EXPENDITURES												
Placeholder cut 2026-27						-	(720,000)		(720,000)	(720,000)		(720,000)
Placeholder cut 2027-28										(687,165)		(687,165)
Certificated	55,444,103	13,439,329	68,883,433	55,700,037	13,178,102	68,878,139	56,535,538	13,375,773	69,911,311	57,383,571	11,878,612	69,262,183
Classified	17,751,293	9,975,412	27,726,706	17,851,603	9,954,555	27,806,158	17,959,377	10,103,874	28,063,250	18,228,767	9,989,824	28,218,591
Employee Benefits	28,668,460	16,323,043	44,991,504	29,683,038	17,029,843	46,712,880	29,429,302	15,931,994	45,361,296	29,685,807	14,468,830	44,154,637
Books & Supplies	4,686,671	14,040,459	18,727,130	3,517,434	3,638,746	7,156,181	3,570,196	14,229,128	17,799,324	4,003,569	10,815,996	14,819,565
Services & Operating Expenses	11,653,135	22,947,380	34,600,515	11,879,744	12,877,475	24,757,219	11,998,542	13,289,554	25,288,096	11,998,542	9,966,697	21,965,238
Capital Outlay	974,459	1,791,405	2,765,864	251,578	248,280	499,858	251,578	852,470	1,104,048	254,094	852,470	1,106,564
Other Outgo	515,480	6,354,201	6,869,681	515,480	6,631,192	7,146,672	527,336	4,154,959	4,682,295	539,464	4,154,959	4,694,423
Transfers of Indirect Costs	(1,873,466)	1,216,231	(657,235)	(1,319,796)	624,536	(695,260)	(1,395,124)	633,904	(761,220)	(1,450,929)	643,412	(807,516)
TOTAL, EXPENDITURES	**117,820,136**	**86,087,461**	**203,907,597**	**118,079,118**	**64,182,729**	**182,261,847**	**118,156,744**	**72,571,656**	**190,728,400**	**119,235,722**	**62,770,800**	**182,006,521**
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	(26,862,200)	26,862,200	-	(28,266,340)	28,266,340	-	(28,690,335)	28,690,335	-	(29,120,690)	29,120,690	-
TOTAL, OTHER SOURCES/USES	**(26,862,200)**	26,862,200	-	**(28,266,340)**	28,266,340	-	**(28,690,335)**	28,690,335	-	**(29,120,690)**	29,120,690	-
NET INCREASE (DECREASE)	**(7,017,350)**	**(16,856,986)**	(23,874,337)	**(9,993,703)**	**(2,738,648)**	(12,732,351)	**(6,817,514)**	**(10,471,012)**	(17,288,526)	**(5,679,509)**	**0**	(5,679,509)
FUND BALANCE												
Beginning Fund Balance	47,808,829	30,066,646	77,875,476	40,791,479	13,209,660	54,001,139	30,797,776	10,471,012	41,268,788	23,980,263	(0)	23,980,263
Proj. Ending Fund Balance	**$ 40,791,479**	**$ 13,209,660**	**$ 54,001,139**	**$ 30,797,776**	**$ 10,471,012**	**$41,268,788**	**$ 23,980,263**	**$ (0)**	**$23,980,263**	**$ 18,300,754**	**$ 0**	**$ 18,300,754**
Nonspendable Revolving Cash	100,000		100,000	100,000		100,000	100,000		100,000	100,000		100,000
Miminum RESERVE	**$20,390,760**			**$18,226,185**			**$19,072,840**			**$ 18,200,652**		
UNRESTRICTED RESERVE (after excluding Committed Balances)	**19.96%**			**16.84%**			**12.52%**			**10.00%**		
Unassigned/Unappropriated	*20,300,719*			*12,471,592*			*4,807,423*			*101*		

BUDGET OVERVIEW FOR PARENTS

Budget Overview for the 2025-26 School Year



This chart shows the total general purpose revenue Gilroy Unified School District expects to receive in the coming year from all sources.

School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment of high needs students (foster youth, English learners, and low-income students).

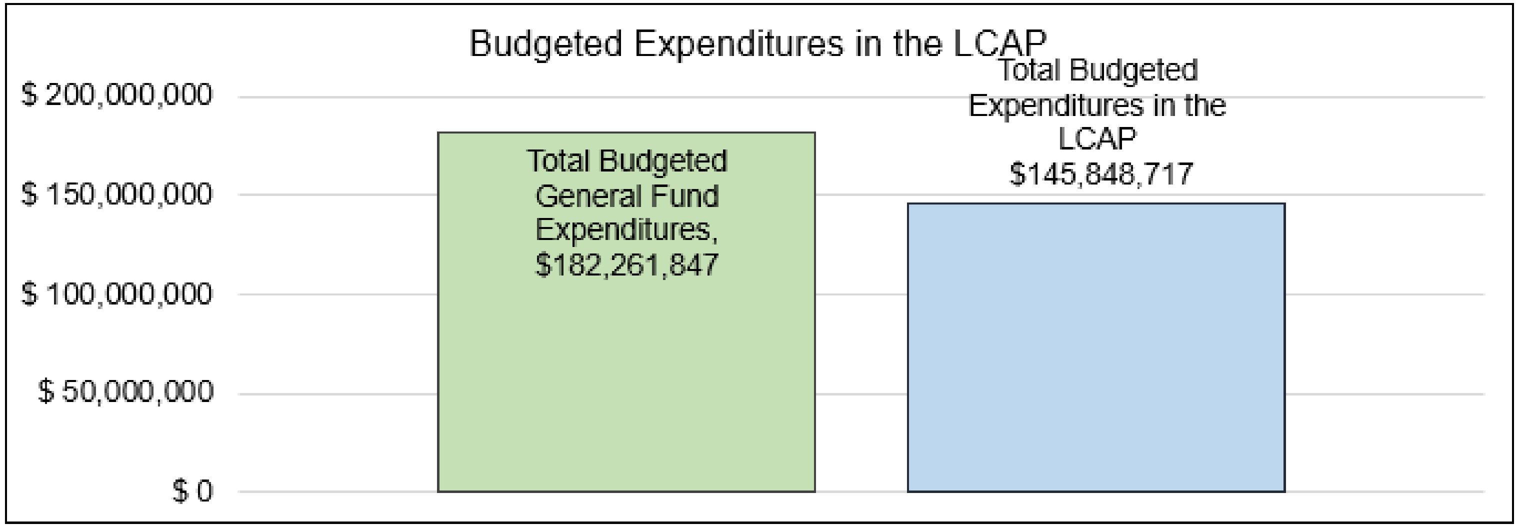
The text description for the above chart is as follows: The total revenue projected for Gilroy Unified School District is $169,529,497.00, of which $138,212,837.00 is Local Control Funding Formula (LCFF), $19,278,113.00 is other state funds, $5,325,342.00 is local funds, and $6,713,205.00 is federal funds. Of the $138,212,837.00 in LCFF Funds, $17,703,177.00 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

REQUIRED DISCLOSURE

Note: This is the summary. The Budget Overview Document is a separate attachment accompanying the Board item.

BUDGET OVERVIEW FOR PARENTS

The LCFF gives school districts more flexibility in deciding how to use state funds. In exchange, school districts must work with parents, educators, students, and the community to develop a Local Control and Accountability Plan (LCAP) that shows how they will use these funds to serve students.



This chart provides a quick summary of how much Gilroy Unified School District plans to spend for 2025-26. It shows how much of the total is tied to planned actions and services in the LCAP.

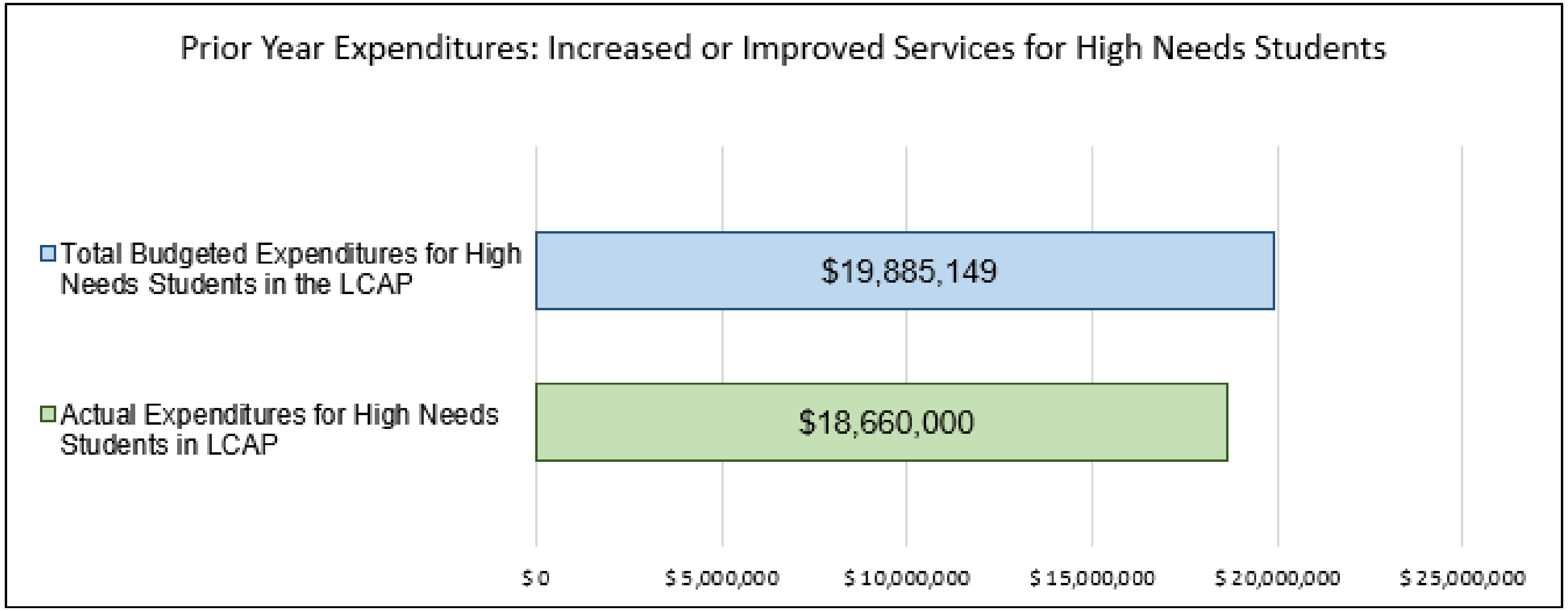
Gilroy Unified School District plans to spend $182,261,847.00 for the 2025-26 school year. Of that amount, $145,848,717.00 is tied to actions/services in the LCAP and $36,413,130.00 is not included in the LCAP. The budgeted expenditures that are not included in the LCAP will be used for the following:

Approximately **88%** of the Unrestricted General Fund expenditures go towards all employee salary and benefits, which are included in the LCAP. The remaining general fund expenditures that are not represented in the district's LCAP are general fund expenditures which provide ongoing services, supplies, maintenance and operations to support the mission of the district.

REQUIRED DISCLOSURE

BUDGET OVERVIEW FOR PARENTS

Update on Increased or Improved Services for High Needs Students in 2024-25



In 2024-25, Gilroy Unified School District's LCAP budgeted $19,885,149.00 for planned actions to increase or improve services for high needs students. Gilroy Unified School District actually spent $18,660,000.00 for actions to increase or improve services for high needs students in 2024-25. The difference between the budgeted and actual expenditures of $1,225,149.00 had the following impact on Gilroy Unified School District's ability to increase or improve services for high needs students:

A number of expenditures were moved to utilize one time funds, and other federal funding. The actions that were implemented by Gilroy Unified were not impacted as other funds were available to support these actions. This unspent amount will be budgeted to support district actions for high needs students in the following year.

REQUIRED DISCLOSURE

STATEMENT OF REASONS FOR EXCESS RESERVES

Adopted Budget

2025-26 Budget Attachment

Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2025-26 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$41,268,788	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$41,268,788	
	District Standard Reserve Level	10%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$0	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$41,268,788	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2025-26 Budget	Description of Need
01	General Fund/County School Service Fund	$30,697,776	Board Policy requires a minimum of 10% reserves designated for economic uncertainty. Furthermore, the MYP is projecting deficits in each of the subsequent years. The 10% reserve for 2025-26 is about $18.2 million of this balance, the rest is needed to maintain reserve levels above 10% through 2027-28.
01	Restricted Balance: Learning Recovery Emerg. Blk Grant, One-time Music Arts Discretionary Block Grant	$10,471,012	The District is committing Learning Recovery funds over 3 years. The savings of one-time allocations are needed for the replacement of chromebooks, ipads, and textbooks over the MYP.
01	Nonspendable Revolving Cash	$100,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$41,268,788	
	Remaining Unsubstantiated Balance	**$0**	**Balance should be Zero**

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

REQUIRED DISCLOSURE

FY 2025-26

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2026-27 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$23,980,263	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$23,980,263	
	District Standard Reserve Level	10%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$0	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$23,980,263	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2026-27 Budget	Description of Need
01	General Fund/County School Service Fund	$23,880,263	Board Policy requires a minimum of 10% reserves designated for economic uncertainty. The 10% reserve for 2026-27 is about $19 million of this balance, the rest is needed to maintain reserve levels above 10% through 2027-28.
01	Nonspendable Revolving Cash	$100,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$23,980,263	
	Remaining Unsubstantiated Balance	**$0**	**Balance should be Zero**

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

REQUIRED DISCLOSURE

FY 2026-27 projection

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

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Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2027-28 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$18,300,754	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0.00	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$18,300,754	
	District Standard Reserve Level	10%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$0	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$18,300,754	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	**Fund**	**2027-28 Budget**	**Description of Need**
01	;eneral Fund/County School Service Fund	$18,200,754	Board Policy requires a minimum of 10% reserves designated for economic uncertainty. Total amount above 10% reserve is $101 by the end of 2027-28.
01	Nonspendable Revolving Cash	$100,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$18,300,754	
	Remaining Unsubstantiated Balance	$0	**Balance should be Zero**

REQUIRED DISCLOSURE

FY 2027-28 projection

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

This is a separate attachment accompanying the board briefing.

NEXT STEPS

- California's Enacted Budget for 2025-26
  - Trailer Bills, allocation of one-time funds? Details will be forthcoming.
- **Board Action on LCAP and Budget on Tuesday, June 17, 2025**
- Revised GUSD Budget in Sept. with Year-End Closing Report
  - ❑ ***<u>Or</u>…Within 45 days*** *if Enacted Budget varies significantly from our assumptions.*

"45-Day Budget Revision" in August 2025 – if necessary